

program. This provision is necessary because in the past 3 years OSHA has significantly increased its Federal compliance assistance budget, but without a corresponding increase in the consultation program. While I support additional funding for compliance assistance, I believe the funding should be directed to State consultation programs. The State grants were created because of the concern that Federal OSHA would not effectively administer a consultation program or maintain separation from enforcement. I believe that those concerns are still very relevant.

Mr. Speaker, codification and implementation of an OSHA consultation program was one of the recommendations of the 1995 White House Conference on Small Business. The Clinton administration has also supported codification of an OSHA consultation program in the past, and I look forward to their support for this legislation, and hope that we will with bipartisan support finally establish consultation as an important function and activity in terms of the Federal Government's support for improved safety and health in the workplace.

TRIBUTE TO KENNETH C. BANKS,
JR.

HON. BRAD SHERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1997

Mr. SHERMAN. Mr. Speaker, I rise before you today to pay tribute to Kenneth C. Banks, Jr., who has been nominated for the prestigious Fernando Award for outstanding volunteerism.

President Kennedy once said, "For of those to whom much is given, much is required. And when at some future date the high court sits in judgment of each of us, recording whether in our brief span of service we fulfilled our responsibilities to the state, our success or failure, in whatever office we hold, will be measured by the answers to four questions: First, were we truly men of courage . . . Second, were we truly men of judgment . . . Third, were we truly men of integrity . . . Finally, were we truly men of dedication." The Fernando Award was created to honor individuals who have exemplified leadership, volunteerism and dedication, and is recognized as the leading award for civic accomplishment in the San Fernando Valley. Each year, the Chambers of Commerce in the San Fernando Valley and other community organizations and leaders nominate candidates they feel demonstrate these characteristics. Ken Banks is a worthy candidate for this award.

Ken has taken an active role in the community, with his involvement in several different organizations and his leadership role in various projects. As a member of the Rotary Club for several years, Ken was named president in 1988. During his term the organization was named the best club in District 5260. He heads up valuable programs within the community, including the creation and distribution of vocational scholarships, Guiding Eyes support for the Police Activity League, and other fundraising activities. Ken used his skills to raise more than \$25,000 for North Hollywood area charities.

In addition, Ken helped spearhead the NoHo Arts District Concept, providing a unify-

ing force and identify for North Hollywood as the center for San Fernando Valley Theater and Arts. This is just one more example of Ken's ability to inspire individuals to work together to improve our community.

Ken's leadership and commitment to our community have been recognized by several organizations. He has been named Person of the Year by the East Valley Family YMCA, received the Small Business of the Year Award from Assemblyman Richard Katz, and was honored as the Business Person of the Year by the Universal North Hollywood Chamber of Commerce. Ken is also a finalist for the 39th Annual Fernando Award, an honor which distinguishes him as one of the most motivated, generous leaders in our community.

Mr. Speaker, distinguished colleagues, please join me in paying tribute to Kenneth Banks. He is truly a role model for the citizens of Los Angeles.

THE SMALL BUSINESS INVESTMENT AND GROWTH ACT

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1997

Mr. CRANE. Mr. Speaker, I rise to introduce the Small Business Investment and Growth Act which will provide much-needed tax relief to small business in America.

As a member of the Ways and Means Committee, I strenuously objected to the tax increases of 1990 and 1993, knowing of the severe negative economic impact these taxes would have on American small businesses and their employees. I realize that, in macro-economic terms, the U.S. economy is quite strong in spite of those tax increases—however, we could do much better. Americans are facing record-high tax burdens. Every year, taxpayers are working more days for Washington and its bureaucrats and fewer days for themselves and their families. For small businesses, the greatest creators of jobs and economic growth in America, high tax rates have hampered their ability to sustain high rates of growth and prosperity.

To understand how small businesses are struggling with taxes, allow me to explain the consequences of the 1990 and 1993 attempts to get the wealthy in America to pay their fair share of the Federal tax burden. With those tax increases, the maximum marginal tax rate for individuals was raised from 28 percent to 39.6 percent. However, what was lost on these "soak the rich" policy wonks is that small businesses owners pay their business taxes as individuals. In other words, a typical struggling small business owner will pay himself a salary, pay his employees and all his other business expenses, and then pay taxes on the combination of his salary and the profits of the business. In the case of S corporations, the shareholders of the company, typically family members who work for the business, each pay the taxes for the business at their individual tax rates.

Now keep in mind that the highest marginal individual tax rates are 36 percent, while the corporate tax rate for similar-sized businesses is 34 percent. The maximum corporate tax rate is 35 percent. So, thanks to the "soak the rich" tax policies, small businesses pay higher

tax rates than better financed corporations. In fact, a Joint Economic Committee report found that President Clinton's 1993 tax hike fell disproportionately on small businesses, not the wealthy. And in surveys of S corporations since their shareholders' tax rates increased, they report that they cannot reinvest as much money into their companies as they did before the tax hike. Reinvesting translates into more jobs. In fact, successful American small businesses have been able to create three to four new jobs for every additional \$100,000 they retain in the business.

The Small Business Investment and Growth Act proposes to end this government-created inequity. My bill has simple goals—to promote S corporation reinvestment, to generate economic growth—i.e., jobs—and to provide for tax rate reductions for all S corporation owners, including qualified personal service corporations.

To accomplish these goals, the bill will lower the Federal tax rates paid by S corporation shareholders to no more than 34 percent when the S corporation reinvests its earnings in the business, or when the earnings are distributed to the shareholders for the purposes of making tax payments. This lower tax rate would be applicable only to the first \$5 million in taxable income of the S corporation.

This bill is a similar, but expanded, version of a bill I introduced in the last Congress. Although this latest version will provide tax relief to more S corporations, I want to make it clear that I would prefer to provide tax relief to all businesses. In fact, I see these taxes as just another cost of doing business which is passed along to the individual consumer/taxpayer. Thus, it is a secondary tax which should be eliminated.

This legislation takes an important first step toward reducing burdensome taxes on small business and encouraging S corporation owners and managers to reinvest income into their business, thereby creating more jobs and expanding economic growth. I strongly encourage my colleagues to cosponsor it.

PLANNED SMITHSONIAN INSTITUTION EXHIBIT ON SWEATSHOPS IS UNDER ATTACK BY THE APPAREL INDUSTRY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 7, 1997

Mr. LANTOS. Mr. Speaker, I rise today to express my strong support for the Smithsonian Institution's planned exhibit on the history of sweatshops in America—"Between a Rock and a Hard Place: A Dialogue on American Sweatshops, 1820–Present." The exhibit is scheduled to open at the Smithsonian here in Washington in April 1998. Unfortunately, however, the U.S. apparel industry is seeking to prevent the display of this exhibit on the grounds that the exhibit will not present a balanced picture of the garment industry. Rather than letting an objective exhibit of historical and contemporary significance go forward, the California Fashion Association, which represents major clothing manufacturers in southern California, has vowed to turn the exhibit into a political football and prevent its display.

Mr. Speaker, it is no surprise that clothing manufacturers are opposed to this exhibit. It is